Introduction to MS Dynamics NAV XVII. (Credit Memo)

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Credit Memo

- Credit Memo-(Further CM) definition (terminology) and effects
 - is a commercial document issued by a <u>seller</u> to a <u>buyer</u>. The seller usually issues a credit memo for the same or lower amount than the <u>invoice</u>, and then repays the money to the buyer or sets it off against a balance due from other transactions.
 - A Credit Memo lists the products, quantities and agreed prices for products or services the seller provided the buyer, but the buyer returned it or did not receive it or received incomplete, damaged, or incorrect.

Business model

- Let's prepare some data in order to show CM basics
 - Create new item Z100 (Description Lever)
 - Costing Method : FIFO
 - Basic Unit of Measure : Pcs



Created Item card (see Intro IV.)

III Z100 Lever - Item Card	1				
General Invoicing Re	plenishment Planning	Foreign Trade	Item Tracking	E-Commerce	Warehouse
No	Z100	1	Search Des	cription	LEVER
Description	Lever		Inventory.		0
Base Unit of Measure	PCS 🗈		Qty. on Pur	rch. Order	0
Bill of Materials			Qty. on Pro	od. Order	0
Shelf No			Qty. on Co	mponent Lines	0
Automatic Ext. Texts			Qty. on Sal	es Order	0
Created From Nonstoc			Qty. on Ser	rvice Order	0
Item Category Code	MISC		Service Iter	m Group	
Product Group Code	SUPPLIERS 主		Blocked		
	,,		Last Date M	Nodified	27.10.14
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📰 Z100 Lever - Item	Card					
General Invoicing	Replenishment	Planning	Foreign Trade	Item Tracking	E-Commerce	Warehouse
Costing Method	FIFO			Gen. Prod.	Posting Group	RETAIL
Cost is Posted to G/	V			Inventory F	Posting Group. Posting Group.	RESALE
Standard Cost Unit Cost		9,30 +		Net Invoice	ed Qty	0
Overhead Rate		0,00		Allow Invoi Item Disc. (ce Disc Group	
Last Direct Cost %		9,30		Sales Unit o	of Measure	PCS 💿
Price/Profit Calculati	on Profit=Pric	e 💌				
Profit %		100				
	<u>I</u> tem		S <u>a</u> les ▼	Purchases V	Functions	▼ Help

📰 Z100 Lever - Item Card		📰 Z100 Lever - Item Card	
General Invoicing Replenishment Planning For	reign Trade Item Tracking E-Commerce Warehouse	General Invoicing Replenishment Planning Foreign	Trade Item Tracking E-Commerce Warehouse
Replenishment System Purchase	Production	Reordering Policy Lot-for-Lot	Reorder Cycle 1W
Purchase	Manufacturing Policy Make-to-Stock 💌	Include Inventory 🔽	Safety Lead Time
Vendor No	Routing No	Reserve Optional	Safety Stock Quantity 0
Vendor Item No L 100	Production BOM No	Order Tracking Policy None	Reorder Point 0
Purch. Unit of Measure . PCS	Rounding Precision 1	Stockkeeping Unit Exists .	Reorder Quantity 0
Lead Time Calculation	Flushing Method Manual 💌	Critical	Maximum Inventory 0
	Scrap % 0		Minimum Order Quantity . 0
	Lot Size 0		Maximum Order Quantity 0
			Order Multiple 0
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See Sales Setup

Sales & Marketing	🔜 Sales & Receivables Setup	
🚛 🖓 🔁 🗛	General Dimensions Numbering	
iaiania Order Processing iaiania Marketing	Discount Posting All Discounts Copy Comments Blank V Credit Warnings Both Warnings Copy Comments Order V	
ia inventory & Pricing ia in Analysis & Reporting	Stockout Warning V Copy Comments Order V Shipment on Invoice V Copy Cmts Ret.Ord. t V Return Receipt on Cre V Copy Cmts Ret.Ord. t V	
ia⊡ History ia⊡ Setup	Invoice Rounding Image: Calc. Inv. Discount	
Marketing Setup Sales & Receivables Setup	Appln. between Curre All Calc. Inv. Disc. per VA	
In the second se	Default Posting Date Work Date Check Prepint, when P	
Company Organizational Profile		
		Help

A check mark in this field indicates that the program will not allow a return transaction to be posted unless the <u>Appl.-from Item</u> <u>Entry</u> field on the sales order line contains an entry.

This function is used when the company wants to apply an exact cost reversing policy in connection with sales returns. This means that the sales return is valued at exactly the same cost as the original sale when being put back on inventory. If an additional cost is later added to the original sale, the program updates the value of the sales return respectively.

Purchases

- Purchase from Vendor 10000
- 1st Purchase 10 pcs, Direct Unit Cost Excluding VAT= 4,0 and Location=Blue
- 2nd Purchase 10 pcs, Direct Unit Cost Excluding VAT= 8,0 and Location=Red
- See Vendor Ledger Entries
- See Item Ledger Entries

Purchase Order One

106032 Lon	don Postmaster - Purchase Order								
General In No Buy-from Ver Buy-from Cor Buy-from Ver Buy-from Ado	voicing Shipping Foreign Trade 	E-Commerce F	Prepayment Posting Order Docum Quote Vendo	g Date Date ent Date No Order No.	· · · · · 09	9.09.12 9.09.12 9.09.12			Vendor Information Buy-from Vendor
Buy-from Ada Buy-from Pos Buy-from Cor No. of Archiv	dress 2 at Code/City N12 5XY (a) ntact Mrs. Carol Philips ed Versions. 0	London (Vendoo Vendoo Order Purcha Respoi Assign Status	r Shipment N r Invoice No. Address Code ser Code . nsibility Cent ed User ID Reserved	lo	DON	Line Amount	Line	Item Information
No. Z100	Description Lever	Code BLUE	Quantity 10	Quantity	Measure PCS	. Exd. VAT 40,00	Exd. VAT 0 400,00	Disc	
		▼ <u>L</u> ine	•	Functions	▼ Posti	ing 🔹 🔁 🔤 ng	Не	lp	

Purchase Order Two

1060	33 Londo	n Postmaster - Purchase Order									8
Gener	al Invoid	ing Shipping Foreign Trade E-Co	mmerce Prep	payment					- N	vendor Information	
No Buy-fi Buy-fi Buy-fi Buy-fi Buy-fi Buy-fi	rom Vendor rom Contac rom Vendor rom Addres rom Addres rom Post Co	106033 No 10000 • tt No CT000066 • Name . London Postmaster ss 10 North Lake Avenue ss 2 ode/City N12 5XY Londor	on (Posting Da Order Date Document Quote No. Vendor Oro Vendor Shi Vendor Inv Order Add	te Date der No pment No. voice No ress Code.	09.09. 09.09. 09.09. 09.09. 	.12 .12 			Buy-from Vendor • Order <u>A</u> ddresses • <u>C</u> ontacts • Purchase Histor <u>v</u> Pay-to Vendor	 ✓ (2) (3)
No. of	f Archived	Versions. 0	Location	Purchaser Responsibi Assigned U Status	Code lity Center Jser ID Reserved	RL LONDON 	Direct Unit Cost	Line Amount	It	em Information	1
) m	Z100	Lever	RED	Quantity 10	Quantity	PCS	8,00	80,00	*	Availa <u>b</u> ility Purcha <u>s</u> e Prices Purchase Line <u>D</u> i	(10) (0) (0)
•		 O <u>r</u> der ▼	<u>L</u> ine	▼ Fun	ictions 👻	Posting		► Help	*	Microsoft Dynam Receiv Receiv Receiv Receiv	re e re <u>a</u> nd Invoic

Entries

						Item Ledger Entries									
	Posting Date	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Invtbl.)	Open
►	09.09.12	Purchase	Purchase Receipt	107036	5 Z100			BLUE	10	10	10	0,00	400,00	0,00) ~
	09.09.12	Purchase	Purchase Receipt	107037	7 Z100			RED	10	10	10	0,00	80,00	0,00) 🗸

Posting Date	Document Type	Document No.	External Document No.	Vendor No.	Description	Original Amount	Amount	Remaining Amt. (LCY)	Due Date	Pmt. Discount Date	Open	Pmt. Disc. Tolerance Date	Origi Disc.
09.09.12	Invoice	108032	ASSS	10000	Order 106028	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	~	09.09.1	2
09.09.12	Invoice	108033	IT_001	10000	Order 106030	-12 500,00	-12 500,00	-12 500,00	30.09.12	09.09.12	~	09.09.1	2
09.09.12	Invoice	108034	AAA	10000	Order 106031	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	~	09.09.1	2
09.09.12	Invoice	108035	22222	10000	Order 106032	-500,00	-500,00	-500,00	30.09.12	09.09.12	~	09.09.1	2
09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-100,00	30.09.12	09.09.12	~	09.09.1	2

Posti Date	ing	D T	. Document No.	G/L Account No.	General Ledger Entries	G P T	G B P	G P P	. Amount	Bal. A T
0	9.09.12		108035	7191	Direct Cost 10000 on 09.09.12				-400,00) G
0	9.09.12	I	108035	7110	Order 106032	Ρ	N.,	R.,	400,00) G
0	9.09.12	I	108035	5630	Order 106032				100,00) G
0	9.09.12	I	108035	5410	Order 106032				-500,00) G
0	9.09.12		108036	2110	Direct Cost 10000 on 09.09.12				80,00) G
0	9.09.12		108036	7191	Direct Cost 10000 on 09.09.12				-80,00) G
0	9.09.12	I	108036	7110	Order 106033	Ρ	N.,	R.,	80,00) G
0	9.09.12	I	108036	5630	Order 106033				20,00) G
0	9.09.12	I	108036	5410	Order 106033				-100,00) G

Credit Memo

Purchase



General	Invoicing	Shipping	Foreign Trade	Application	E-Commerce	Credit Memo -Header
No		📃	1001 📖	ø	Postin	g Date 09.09.12
Buy-fro	m Vendor No.		10000 💼		Docum	nent Date 09.09.12
Buy-fro	m Contact No	СТО	00066 🗈		Vendo	r Authorization No.
Buy-fro	m Vendor Nar	me . Lond	on Postmaster		Vendo	r Cr. Memo No
Buy-fro	m Address .	10 N	orth Lake Avenue	e	Order	Address Code
Buy-fro	m Address 2				Purcha	aser Code RL 🗈
Buy-fro	m Post Code/	City N12	5XY 🗈	London	Campa	aign No
Buy-fro	m Contact .	Mrs.	Carol Philips		Respo	nsibility Center LONDON
					Assign	ed User ID

Status Open

Credit Memo -Lines

Calculate Invoice Discount		
Explode BOM Insert Ext. Texts Apply Entries	Shift+F9	
Get Std. Vend. Purchase Codes Get Return Shipment Lines		Options
Copy Document Move Negative Lines Get Posted Document Lines to Reverse		Document Type Posted Invoice Document No
Send Approval Request Cancel Approval Request		Include Header
Release Reopen	Ctrl+F11	
e	Help	

Credit Memo

General Invoicing Shipping Foreign Trade Application E-Con	mmerce
No 1001	Posting Date 09.09.12
Buy-from Vendor No 10000 主	Document Date 09.09.12
Buy-from Contact No CT000066	Vendor Authorization No.
Buy-from Vendor Name . London Postmaster	Vendor Cr. Memo No AAAAA
Buy-from Address 10 North Lake Avenue	Order Address Code
Buy-from Address 2	Purchaser Code RL
Buy-from Post Code/City N12 5XY 🗈 London 🍙	Campaign No
Buy-from Contact Mrs. Carol Philips	Responsibility Center LONDON
	Assigned User ID
	Status Open

	т	No.	Description	Location	Quantity	Unit of M	Direct Uni	Line Amount E L	.ine
•			Invoice No. 108035:						
	I	Z100	Lever	BLUE	10	PCS	40,00	400,00	
	1								

	Microsoft Dynamics NAV Classic
F11	Do you want to post the Credit Memo?
	Ano Ne

Posted CM

							Purcha Page 1	ase - Ci	redit M	lemo		
London Postma Mrs. Carol Philip 10 North Lake / London, N12 5) Great Britain	ister os Avenue KY						CRONU Jack S. Kensing N12 5X	S, Lond Richins Iton Stre Y Londo	ion RC eet, 22 in			
							Phone N Fax No. VAT Re Giro No. Bank Accoun	lo. :g. No. t No.	+44-99 +44-99 GB777 888-99 World 99-99-	99 154642 99 154625 777777 999 Wide Banl 888	¢	
Pay-to Vendor	No.	10000					9. Septe	ember 20	012			
VAT Registratio	on No.	895741963 Richard Lui	m				Credit M	lemo No		109003		
							Posting (Applies Prices Ir	Date to Invo	ice 108 VAT	09.09.12 035) No		
					Unit of	Direct U	nit Disc.	Allow	e VAT			
No.	Descr	iption		Quantity	Measure	e Co	st %	Disc.	Iden	tifier	Amount	
Z100	Invoice Lever	e No. 108035	i:	10	Piece	40,	00	Yes	VAT2	25	400,00	
						To 25 To	otal GBP % VAT otal GBP	Excl. V	AT AT		400,00 100,00 500,00	
VAT Amount	Specifi	ication										
VAT Identifier		VAT %	Line Amoun	Inv. D	isc. Base Amount	Di A	Invoice iscount Amount		VAT B	ase V	AT Amount	
VAT25		25	400,0	D	400,00		0,00		400	0,00	100,00	
Total			400,0	D	400,00		0,00		400	0,00	100,00	

Ship-to Address CRONUS International Ltd. 5 The Ring Westminster London, W2 8HG Great Britain

Entries after CM was posted

Po	sting te	Document Type	Document	External Document	Vendor No	VendorLedger En	Criginal Amount	Amount	Remaining Amt.	Due Date	Pmt. Discount Date	Open
	00.00.40	z	100.	1000	venuorino.		Chiginal Amount	Amount	(001)		00.00.40	open
	09.09.12	Invoice	108032	A555	10000	Order 106028	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	÷
	09.09.12	Invoice	108033	IT_001	10000	Order 106030	-12 500,00	-12 500,00	-12 500,00	30.09.12	09.09.12	~
	09.09.12	Invoice	108034	AAA	10000	Order 106031	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	~
1	09.09.12	Invoice	108035	22222	10000	Order 106032	-500,00	-500,00	0,00	30.09.12	09.09.12	
	09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-100,00	30.09.12	09.09.12	~
	09.09.12	Credit Memo	109003	AAAAA	10000	Credit Memo 1001	500,00	500,00	0,00	09.09.12		

Posting Date	Entry Type	Document Type	Document No.	Item No.	Item Ledger Entries	Lot No.	Location Code	Ouantity	Invoiced Ouantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)
09.09.12	Purchase	Purchase Receipt	107036	Z100	200.000		BLUE	10	10	0 0	0,00	400,00
09.09.12	Purchase	Purchase Receipt	107037	Z100			RED	10	10	10	0,00	80,00
09.09.12	Purchase	Purchase Return	105003	Z100			BLUE	-10	-10	0	0,00	-400,00

Another method of CM creation



General	Invoicing	Shipping	Foreign Trade	Application	E-Commerce	
No			1004	P	Postin	g Date 09.09.12
Buy-from	Vendor No.		10000 📤		Docum	nent Date 09.09.12
Buy-from	Contact No	СТОО	0066 🗈		Vendo	r Authorization No.
Buy-from	Vendor Nan	ne . Lond	on Postmaster		Vendo	r Cr. Memo No
Buy-from	Address	10 No	orth Lake Avenue	2	Order	Address Code
Buy-from	Address 2 .	• •			Purcha	aser Code RL 🗈
Buy-from	Post Code/	City N12	5XY 主	London	Campa	aign No
Buy-from	Contact	Mrs.	Carol Philips		Respo	nsibility Center LONDON
					Assign	ed User ID

Show field Appl-to Item Entry and by use of F6 make a choice, which entry will be credited. You have firstly manually enter Item Number, Location and quantity

T No. Description	Location Code O	Unit of Measure Juan Code	Direct Unit Cost Excl. VAT	Line Amount Excl. VAT	Line Disco %	Qty. to Assign	Qty. Assigned	Applto Item Entry	1
*> I Z100 Lever	RED	2 PCS	8,00	16,00					^

Status Open

	Posting Date	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amour (Non-Invtbl
Þ	09.09.12	Purchase	Purchase Receipt	107037	Z100			RED	10	10	4	0,00	80,00	

Created CM



General	Invoid	ing S	Shipping	Foreign Trade	Application	E-Commer	ce in the second se									
No				1004	/	Po	sting Date	. 09.09.	12							
Buy-from	n Vendor	No		10000 📤]	Do	cument Date	. 09.09.	12							
Buy-from	n Contac	t No	. сто	00066 🔒]	Ve	ndor Authorization No									
Buy-from	n Vendor	Name	. Lone	don Postmaster		Ve	ndor Cr. Memo No									
Buy-from	n Addres	s	. 10 M	Iorth Lake Aven	ue	Or	der Address Code		(▲						
Buy-from	n Addres	s2	•			Pu	chaser Code	. RL	(•						
Buy-from	n Post C	ode/Cit	ty N12	5XY 🗈	London	🗈 Ca	mpaign No		(•						
Buy-from	n Contac	t	. Mrs.	Carol Philips		Re	sponsibility Center .	. LONDON	(•						
						As	signed User ID		(•						
						Sta	itus	. Open								
T I	No. De	scriptic	on					Location Code	Quan	Unit of Measure Code	Direct Unit Cost Excl. VAT	Line Amount Excl. VAT	Line Disco %	Qty. to Assign	Qty. Assigned	Applto Item Entry
*• I	Z100 Le	ver						RED	2	PCS	8,00	16,00				363

Next step is to apply Vendor document by use of Apply Entries =**Shift**—**F9**

Applied Entries window



(General												
	Posting Date .	09	.09.12			Currency Code							
	Document Type	Cred	it Memo			Amount		20,00					
	Document No		100	4		Remaining Amount		20,00					
	Vendor No		1000	0									
	Description	Cred	lit Memo 1004										
	Applies t	Posting D D	Decumon	External	Vondor No	Description	Ourrea	Domaining Am	Apple Domai	Amount to Apply	Apple Amoun	Due Date	Dent Disc I
	Applies-t	31.12.11 L.	. 5578	5578	10000	Opening Entries, Vendors	curre	-24 080.19	-24 080.19	Amount to Apply	Appin: Amoun 0.00	20.01.12	31, 12, 11
		31.12.11 I	. 5672	5672	10000	Opening Entries, Vendors		-57 792,45	-57 792,45	0,00	0,00	21.01.12	31.12.11
	_	04.01.12 I	. 108018	23047	10000	Order 106002		-8 132,00	-8 132,00	0,00	0,00	31.01.12	04.01.12
		07.01.12 I	. 108019	23587	10000	Order 106003		-8 245,76	-8 245,76	0,00	0,00	31.01.12	07.01.12
		18.01.12 I	. 108023	24521	10000	Order 106006		-15 846,00	-15 846,00	0,00	0,00	31.01.12	18.01.12
		26.01.12 I	. 108028	11111	10000	Order 106024		-121,88	-121,88	0,00	0,00	31.01.12	26.01.12
		26.01.12 I	. 108030	A1	10000	Order 106026		-375,00	-375,00	0,00	0,00	31.01.12	26.01.12
		26.01.12 I	. 108031	A2	10000	Order 106027		-250,00	-250,00	0,00	0,00	31.01.12	26.01.12
		09.09.12 I	. 108032	ASSS	10000	Order 106028		-6 332,50	-6 332,50	0,00	0,00	30.09.12	09.09.12
		09.09.12 I	. 108033	IT_001	10000	Order 106030		-12 500,00	-12 500,00	0,00	0,00	30.09.12	09.09.12
		09.09.12 I	. 108034	AAA	10000	Order 106031		-6 332,50	-6 332,50	0,00	0,00	30.09.12	09.09.12
	▶ 1004	09.09.12 I	. 108036	44444	10000	Order 106033		-90,00	-90,00	-90,00	-90,00	30.09.12	09.09.12
		09.09.12 C.	. 109004	BBBBB	10000	Credit Memo 1002		50,00	50,00	0,00	0,00	09.09.12	



OK and thenF9

Entries



	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Invtbl.)	Open
	Purchase	Purchase Receipt	107036	Z100			BLUE	10	10	0	0,00	400,00	0,00	
Ι	Purchase	Purchase Receipt	107037	Z100			RED	10	10	2	0,00	80,00	0,00	~
1	Purchase	Purchase Return	105003	Z100			BLUE	-10	-10	0	0,00	-400,00	0,00	
	Purchase	Purchase Return	105004	Z100			RED	-5	-5	0	0,00	-40,00	0,00	
	Purchase	Purchase Return	105005	Z100			RED	-1	-1	0	0,00	-8,00	0,00	
I	Purchase	Purchase Return	105006	Z100			RED	-2	-2	. 0	0,00	-16,00	0,00	

Posting Date	Document Type	Document No.	External Document No.	Vendor No.	Description	Original Amount	Amount	Remaining Amt. (LCY)	Due Date	Pmt. Discount Date	Open	Pmt. Disc. Tolerance C Date I
09.09.12	Invoice	108032	ASSS	10000	Order 106028	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	~	09.09.12
09.09.12	Invoice	108033	IT_001	10000	Order 106030	-12 500,00	-12 500,00	-12 500,00	30.09.12	09.09.12	×	09.09.12
09.09.12	Invoice	108034	AAA	10000	Order 106031	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	~	09.09.12
09.09.12	Invoice	108035	22222	10000	Order 106032	-500,00	-500,00	0,00	30.09.12	09.09.12		09.09.12
09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-70,00	30.09.12	09.09.12	×	09.09.12
09.09.12	Credit Memo	109003	AAAAA	10000	Credit Memo 1001	500,00	500,00	0,00	09.09.12			
09.09.12	Credit Memo	109004	BBBBB	10000	Credit Memo 1002	50,00	50,00	50,00	09.09.12		~	
09.09.12	Credit Memo	109005	CCCCC	10000	Credit Memo 1003	10,00	10,00	0,00	09.09.12			
09.09.12	Credit Memo	109006	DDDDD	10000	Credit Memo 1004	20,00	20,00	0,00	09.09.12			1
-												10

End of the section XVII.

